

**SHB 3015 - H AMD 1233**

By Representative Ericksen

1       Strike everything after the enacting clause and insert the  
2 following:

3       "NEW SECTION. **Sec. 1.** (1) The legislature recognizes that  
4 solutions must be developed at the state level to expand coverage to  
5 the uninsured and provide more affordable options to those struggling  
6 to purchase coverage. Therefore, it is the legislature's intent to  
7 expand flexibility provided in current law to increase the availability  
8 of affordable health care coverage for the citizens of this state.

9       (2) Under the terms and conditions of this chapter, the state of  
10 Washington seeks to allow the sale of private health benefit plans  
11 approved in other states to be offered to the citizens of this state.

12       (3) The legislature further seeks to join with other states to  
13 establish a compact for the purposes of developing common standards  
14 that each state's chief insurance regulatory official can use in  
15 coordinating the approval of health benefit plans across state lines.

16       (4) It is not the intent of the compact to restrict health benefit  
17 plan coverage or benefit requirements, or restrict underwriting  
18 requirements or ratings, in any way that conflicts with a carrier's  
19 domiciliary state's laws or rules.

20       NEW SECTION. **Sec. 2.** As used in this chapter:

21       (1) "Commissioner" means the insurance commissioner.

22       (2) "Domestic carrier" means a disability insurer regulated under  
23 chapter 48.20 or 48.21 RCW, a health care service contractor as defined  
24 in RCW 48.44.010, or a health maintenance organization as defined in  
25 RCW 48.46.020.

26       (3) "Foreign health carrier" means a foreign individual health  
27 carrier or a foreign small employer health carrier.

28       (4) "Foreign individual health carrier" means a carrier licensed to  
29 sell individual health benefits plans in any other state.

1 (5) "Foreign small employer health carrier" means a carrier  
2 licensed to sell small employer health benefits plans in any other  
3 state.

4 (6) "Hazardous financial condition" means that, based on its  
5 present or reasonably anticipated financial condition, a foreign health  
6 carrier is unlikely to be able to meet obligations to policyholders  
7 with respect to known claims or to any other obligations in the normal  
8 course of business.

9 (7) "Health care provider" means an individual or entity which,  
10 acting within the scope of its license or certification, provides  
11 health care services, and includes, but is not limited to, a physician,  
12 dentist, nurse, or other health care professional whose professional  
13 practice is regulated pursuant to Title 18 RCW.

14 (8) "Individual health benefits plan" means a benefits plan for  
15 persons and their dependents which pays or provides for hospital and  
16 medical expense benefits for covered services.

17 (9) "Office" means the office of the insurance commissioner.

18 (10) "Resident" means a person whose primary residence is in  
19 Washington and who is present in Washington for at least six months of  
20 the calendar year.

21 (11) "Small employer health benefits plan" means a group benefits  
22 plan for persons and their dependents which pays or provides for  
23 hospital and medical expense benefits for covered services, offered by  
24 any person, firm, corporation, or partnership actively engaged in a  
25 business that employs at least two but not more than fifty employees.

26 NEW SECTION. **Sec. 3.** (1) Notwithstanding any other law or rule to  
27 the contrary, a foreign individual health carrier may offer and provide  
28 individual health benefits plans to residents in this state, if that  
29 carrier:

30 (a) Offers the same individual health benefits plans in its  
31 domiciliary state and is in compliance with all applicable laws,  
32 regulations, and other requirements of its domiciliary state; and

33 (b) Obtains a certificate of authority to do business as a foreign  
34 health carrier in this state, pursuant to section 4 of this act.

35 (2) Notwithstanding any other law to the contrary, a foreign small  
36 employer health carrier may offer and provide small employer health  
37 benefits plans to employers in this state, if that carrier:

1 (a) Offers the same small employer health benefits plans in its  
2 domiciliary state and is in compliance with all applicable laws,  
3 regulations, and other requirements of its domiciliary state; and

4 (b) Obtains a certificate of authority to do business as a foreign  
5 health carrier in this state, pursuant to section 4 of this act.

6 NEW SECTION. **Sec. 4.** (1) A foreign health carrier may apply for  
7 a certificate of authority to do business as a foreign health carrier  
8 in this state, using a form prescribed by the commissioner. Upon  
9 application, the commissioner shall issue a certificate of authority to  
10 the foreign health carrier unless the commissioner determines that the  
11 carrier:

12 (a) Will not provide health insurance services in compliance with  
13 the provisions of this chapter;

14 (b) Is in a hazardous financial condition, as determined by an  
15 examination by the commissioner conducted in accordance with the  
16 financial analysis handbook of the national association of insurance  
17 commissioners; or

18 (c) Has not adopted procedures to ensure compliance with all  
19 applicable federal and state laws.

20 (2) A certificate of authority issued pursuant to this section  
21 shall be valid for three years from the date of issuance by the  
22 commissioner.

23 (3) The commissioner shall establish by rule:

24 (a) Procedures for a foreign health carrier to renew a certificate  
25 of authority, pursuant to and consistent with the provisions of this  
26 chapter; and

27 (b) A certificate of authority application and renewal fees, the  
28 amount of which shall be no greater than is reasonably necessary to  
29 enable the office to carry out the provisions of this chapter.

30 NEW SECTION. **Sec. 5.** (1) Each individual health benefits plan  
31 provided by a foreign individual health carrier to a resident of this  
32 state, and each application for the plan, shall disclose in plain  
33 language the following:

34 (a) The differences between the individual health benefits plan  
35 issued by the foreign health carrier, and a policy issued in this state  
36 subject to the requirements of Title 48 RCW, using at least fourteen-

1 point boldface type to describe the differences that relate to:  
2 Underwriting standards, premium rating, preexisting conditions,  
3 renewability, portability, and cancellation; and

4 (b) An explanation of which state's laws govern the issuance of,  
5 and requirements under, the individual health benefits plan offered  
6 under this chapter.

7 (2) Each small employer health benefits plan provided by a foreign  
8 small employer health carrier to an employer in this state, and each  
9 application for the plan, shall disclose in plain language the  
10 following:

11 (a) The differences between the small employer health benefits plan  
12 issued by the foreign health carrier, and a policy issued in this state  
13 subject to the requirements of Title 48 RCW, using at least fourteen-  
14 point boldface type to describe the differences that relate to:  
15 Underwriting standards, premium rating, preexisting conditions,  
16 renewability, portability, and cancellation; and

17 (b) An explanation of which state's laws govern the issuance of,  
18 and requirements under, the small employer health benefits plan offered  
19 under this chapter.

20 NEW SECTION. **Sec. 6.** (1) The commissioner may deny, revoke, or  
21 suspend, after notice and opportunity to be heard, a certificate of  
22 authority issued to a foreign health carrier pursuant to this chapter  
23 for a violation of the provisions of this chapter, including any  
24 finding by the commissioner that a foreign health carrier is no longer  
25 in compliance with any of the conditions for issuance of a certificate  
26 of authority set forth in section 4(1) of this act, or the rules  
27 adopted pursuant to this chapter. The commissioner shall provide for  
28 an appropriate and timely right of appeal for the foreign health  
29 carrier whose certificate is denied, revoked, or suspended.

30 (2) The commissioner shall establish grievance and independent  
31 claims review procedures with respect to claims by a health care  
32 carrier or a covered person with which a foreign health carrier shall  
33 comply as a condition of issuing policies in this state.

34 (3)(a) The commissioner shall establish fair marketing standards  
35 for marketing materials used by foreign health carriers to market  
36 individual health benefits plans to residents in this state.

1 (b) The commissioner shall establish fair marketing standards for  
2 marketing materials used by foreign health carriers to market small  
3 employer health benefits plans to small employers in this state.

4 (4) The procedures and standards established under subsections (2)  
5 and (3) of this section shall be applied on a nondiscriminatory basis  
6 so as not to place greater responsibilities on foreign health carriers  
7 than the responsibilities placed on other health carriers doing  
8 business in this state.

9 NEW SECTION. **Sec. 7.** A domestic carrier authorized to do business  
10 in this state may apply to the commissioner for an exemption from the  
11 provisions of this title and any rules promulgated under those  
12 provisions, that would allow the domestic carrier to offer health care  
13 plans that are comparable in plan design to health care plans offered  
14 by foreign health carriers under this chapter. Upon a domestic  
15 carrier's application, the commissioner shall make an order exempting  
16 the domestic carrier from those provisions and rules in order to allow  
17 the domestic carrier to offer a health care plan or plans that are  
18 comparable in design to health care plans offered by foreign health  
19 carriers under this chapter. Any health care plan offer by a domestic  
20 carrier under an exemption under this section shall be subject to the  
21 requirements that apply to health care plans offered by foreign health  
22 carriers under this chapter.

23 NEW SECTION. **Sec. 8.** The office shall adopt rules to effectuate  
24 the purposes of this chapter, provided, however, that the rules shall  
25 not:

26 (1) Directly or indirectly require a foreign health carrier to,  
27 directly or indirectly, modify coverage or benefit requirements, or  
28 restrict underwriting requirements or premium ratings, in any way that  
29 conflicts with the carrier's domiciliary state's laws or rules;

30 (2) Provide for requirements that are more stringent than those  
31 applicable to carriers that are licensed by the commissioner to provide  
32 health benefits plans in this state; or

33 (3) Require any individual health benefits plan or small employer  
34 health benefits plan issued by the foreign health carrier to be  
35 countersigned by an insurance agent or broker residing in this state.

1        NEW\_SECTION.   **Sec. 9.**   The office may pursue and enter into a  
2 compact with other states for the purpose of developing and  
3 implementing common standards across states that state chief insurance  
4 regulatory officials can use in facilitating the purchase of health  
5 benefit plans across state lines. Any compact entered into by the  
6 insurance commissioner shall comply with all provisions of this  
7 chapter.

8        NEW\_SECTION.   **Sec. 10.**   Sections 1 through 9 of this act constitute  
9 a new chapter in Title 48 RCW.

10       NEW\_SECTION.   **Sec. 11.**   If any provision of this act or its  
11 application to any person or circumstance is held invalid, the  
12 remainder of the act or the application of the provision to other  
13 persons or circumstances is not affected."

14       Correct the title.

--- END ---